



Legislation Text

File #: 2679-2016, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Morgan Stanley & Co. LLC in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of six (6) consecutive years.

Morgan Stanley & Co. LLC ("Morgan Stanley") is a global financial services firm that, through its subsidiaries and affiliates, advises, originates trades, manages, and distributes capital for governments, institutions, and individuals.

Morgan Stanley is proposing to expand the decentralized functional teams at 4343 Easton Commons Columbus, Ohio 43219, a site where the company already has existing operations which occupy approximately 71,722 square feet. As part of this expansion, Morgan Stanley will lease and buildout an additional 13,581 square feet. The project involves a total investment of approximately \$1,500,000 related to the acquisition of furniture/fixtures and leasehold improvements.

Morgan Stanley anticipates retaining 426 full-time permanent positions with an annual payroll of approximately \$17,900,000 and creating 300 new full-time permanent positions in support of this project with an associated new annual payroll of approximately \$13,500,000.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with Morgan Stanley & Co. LLC for a term of six (6) consecutive years in consideration of investing an estimated \$1,500,000.00, retaining 426 full-time permanent positions, and creating 300 new full-time permanent positions.

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the Department of Development received a completed Jobs Growth Incentive Application from Morgan Stanley & Co. LLC; and

WHEREAS, Morgan Stanley & Co. LLC will expand operations at an existing office site located at 4343 Easton Commons, Columbus, Ohio 43219 by leasing an additional 13,581 square feet; and

WHEREAS, Morgan Stanley & Co. LLC will invest a total of approximately \$1,500,000 related to the acquisition of furniture/fixtures and leasehold improvements, retain 426 full-time permanent positions with an annual payroll of approximately \$17,900,000 and create 300 new full-time permanent positions with a new annual payroll of approximately \$13,500,000; and

WHEREAS, Morgan Stanley & Co. LLC has indicated that a Jobs Growth Incentive is crucial to its decision to expand their operation within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Morgan Stanley & Co. LLC at the project site by providing a Jobs Growth Incentive; and **NOW THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

- SECTION 1.** That the Director of the Department of Development is hereby authorized to enter into a dual-rate Jobs Growth Incentive Agreement with Morgan Stanley & Co. LLC equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of six (6) consecutive years.
- SECTION 2.** That if Morgan Stanley & Co. LLC is not able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).
- SECTION 3.** That each year of the term of the agreement with Morgan Stanley & Co. LLC, the City's obligation to pay the incentive is expressly contingent upon the passage of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.
- SECTION 4.** That the City of Columbus Jobs Growth Incentive Agreement is signed by Morgan Stanley & Co. LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** The City Council hereby extends authority to the Director of Development to amend the Morgan Stanley & Co. LLC City of Columbus Jobs Growth Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.
- SECTION 6.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.